Distr.
LIMITED

ID/WG.433/9
29 November 1984

ENGLISH

United Nations Industrial Development Organization

ESCAP Regional Energy Development Programme (REDP)
Regional Network for Small Hydropower (RN-SHP)

Technical Advisory Group (TAG)
First Meeting

Hangzhou, China, 11 - 13 December 1984

FINANCIAL RESOURCES*

(Agenda item 6)

prepared by

UNIDO Secretariat

*This document has been reproduced without formal editing.

V.84-93768

Financial Resources

1. During the implementation of Phase-I of the Regional Energy Development Programme (REDP)- RAS/80/001, the work programme of the Regional Network for Small Hydropower (RN-SHP) suffered much from the shortage of financial means. With the special considerations of UNDP Headquarters in New York as well as the UNDP Resident Representative's Office in Beijing and additional funds made available from other sources by ESCAP-Regional Centre for Technology Transfer (RCTT) and the UN Department for Technical Co-operation Development (UNDTCD), it was possible to carry out the following activities:

   a. Joint UNDP/UNIDO/ESCAP/China Senior Expert Group Meeting on the Creation of a Regional Network System and the Assessment of Priority Needs on Research Development and Training in the field of Small/Mini Hydropower Generation: 12-17 July 1982, Hangzhou/China;

   b. Third Workshop on Small Hydropower, RCTT/UNIDO/REDP/Government of Malaysia: 7-15 March 1983, Kuala Lumpur/Malaysia;

   c. First Training-Workshop on Mini-Small Hydropower:
   23 May - 24 June 1983, Hangzhou/China;

   d. Second Training Workshop on Hydrology for Small Hydropower Generation: 3-14 September 1984, Hangzhou/China.

2. Following the termination of Phase-I and entering into Phase-II of the REDP, the situation has improved slightly. However, there is still very serious financial constraints to satisfactorily carry out activities that respond to the priority needs and wishes of the member countries. It is therefore most important that the financial resources that are presently available be so utilized as to achieve the maximum impact anticipated with the broadest coverage of interest.

3. The present status of the resources allocated under project RAS/84/001 covers three main activities as follows:

		1984	1985	1986	(in US$)
a.	Organization of the Technical Advisory Group meetings in 1984, 1985 and 1986.	7.5*	7.5	7.5	22.000
b.	Revolving training courses.	15.0**	15.0	15.0	45.000
c.	Co-operative research projects.	12.5	12.5	8.0	33.000
				Total:	100.000

* The cost of the TAG Meeting for 1984 where eight countries were invited to attend, was approximately US$20,000, using up the total allocation for three years. For the TAG meetings in 1985 and 1986, resources will have to be secured from elsewhere, i.e. perhaps under project RAS/80/033.

** In 1984, the resources were utilized for organizing a Consultation Mission of senior officials of the RN-SHP Secretariat to three selected member countries.

4. Considerations might be given and recommendations made for the reallocation of funds since the figures, as can be seen from above, do not seem to realistically respond to the actual cost. These recommendations might include the following aspects:

a. TAG meetings: when and composition of participating countries, resources needed for 1985/1986.

b. With the meagre amount allocated for revolving training courses, it might be more useful to organize study-tour-type activities for a selected number of senior-middle management level staff of the member SHP sub-focal points.

c. Whether the resources available should be used for taking up projects in the sense of seed money to cover a larger number of project activities, or to utilize the funds for one project throughout.

5. Apart from the funds made available under RAS/84/001, UNDP has allocated US$200,000 under RAS/80/033 for the years 1985/1986. At present, the fund is scheduled to be utilized for the following purposes:

a.	RN-SHP newsletter	US$ 10,000
b.	Third training workshop on simple, low-cost feasibility study for small-mini hydropower (1985)	US$ 40,000
c.	UNIDO advisory missions to RN-SHP headquarters	US$ 10,000
d.	RN-SHP secretariat support activities	US$ 30,000
e.	Updating and expansion of directories related to small hydropower (approx. 7 volumes)	US$ 20,000
	R+D activities, bibliography, experts roster, engineering/consulting companies roster, equipment manufacturers roster, SHP stations in operation, ongoing training activities, etc.	
f.	Preparation of video films for SHP training as well as SHP publicity purposes	US$ 50,000
g.	Co-operative research and development projects	US$ 30,000
h.	Short-term consultancy services	US$ 10,000
	Total	US$200,000

6. The list, however, does not cover a number of activities which might preferably be covered, such as:

- Fourth training workshop on designing of SHP stations with specific emphasis on simplified, low-cost civil construction methods.
- High-level consultative meeting on small hydropower, national policies and reginal co-operation, in conjunction with the inauguration ceremony of the Hangzhou Regional Centre premises, functioning as the RN-SHP Headquarters.
- Study tour arrangements for medium-senior-level officials of the SHP sub-focal points (one group of 5-6 participants per year to visit 3-4 member countries). (See paragraph 4. above).

7. Additionally, considerations and recommendations might be made on the following points:

8. Video training films

Contrary to the original plans of requesting the RN-SHP Secretariat to dispatch a team to shoot material for a video training film, it might be more practical and cost-effective to decentralize the activities by entrusting part of the work to the national sub focal points for small hydropower, and have them participate in the preparation of the video training films. In this connection, the RN-SHP Secretariat has already initiated steps to collect information from the SHP sub-focal points on video films and/or 8-16-35 mm film material already available, by means of a questionnaire.

9. The data collected would be the basis for developing an action plan where each sub-focal point might be entrusted, if ready to do so, to prepare video film material, which would be forwarded to the RN-SHP Secretariat or elsewhere for appropriate editing into a suitable film. In this case, a general framework or a scenario will have to be prepared with a clear distinction of the subjects of the films in order that the series in total will appropriately serve the purpose of training and/or publicity aiming at the policy makers, the engineers or the public. Accordingly, the use of presently earmarked amount of US$50,000 might be reconsidered to enable appropriate steps to be initiated.

10. TAG meetings

The cost of the TAG meetings has been included in the project RAS/84/001. The total amount of US$22,000 was by far not sufficient to cover the cost of the First TAG Meeting, if the meeting was to be so organized as to have a reasonable representation of the member countries. Whereas the format and coverage of the TAG meeting is to be discussed elsewhere under another agenda item of the present Meeting, it would be necessary to earmark and secure funds necessary for the TAG meetings in 1985 and 1986. Considerations should be given and recommendations made on this matter.

11. Decentralization of RN-SHP activities

There is a need to decentralize the RN-SHP activities among the participating member countries in order, on the one hand, to give the activities a regional characteristic, and on the other hand, to lessen the heavy workload of the RN-SHP Secretariat involved in preparing specific activities, particularly as far as the preparation of documents is concerned.

12. Such decentralized activities which will be carried out under the umbrella guidance of the RN-SHP, will be organized by the respective, selected host government organizations (national focal points), jointly with the RN-SHP Secretariat. If not all, a major portion of the cost would have to be covered by the RN-SHP. In case extrabudgetary means cannot be secured, such costs would have to be charged to the project budget.

13. Extrabudgetary resources

Since it is unreasonable to expect that UNDP funds would suffice to cover RN-SHP activities, it is very important to seek and secure additional sources of funding. In this connection, a number of donor countries have unofficially expressed their interest to sympathically consider financial support to projects thought to be of high priority. It would therefore be necessary to formulate and prepare "bankable project documents" that could be presented to the potential donor agencies and organizations for their considerations.

14. A mechanism to ensure that these project documents be prepared and submitted in a continuous and systematic manner should be developed. Recommendations to this effect would be required.